

**BY-LAWS
OF
FAIRWAYS OWNERS ASSOCIATION, INC.**

Business Entity #
074-976

**ARTICLE I
NAME AND LOCATION**

NAME AND LOCATION: The name of the corporation is Fairways Owners Association, Inc., hereinafter referred to as the "Association". Unless otherwise noted to the membership of The Association, the principal office of the corporation shall be located at #4 Office Park Circle, Suite 106, Birmingham, AL 35223 but meeting of members and directors may be held at such places within the State of Alabama, County of Shelby, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

- Section 2.1. Association.** Association shall mean and refer to The Fairways Association, Inc., its successors and assigns.
- 2.2. Properties.** Properties shall mean and refer to that certain real property described in the Declaration of Protective Covenants, Restriction, Easements, Rights and Liens, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and as described in the Articles of Incorporation of the Association.
- 2.3. Lot.** Lot shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.
- 2.4. Owner.** Owner shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any unit which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- 2.5. Declaration.** Declaration shall mean and refer to the Declaration of Protective Covenants, Restrictions, Easements, Rights, and Liens applicable to the Properties recorded in the Office of the Judge of Probate, Shelby County, Alabama.
- 2.6. Member.** Member shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation.

ARTICLE III

MEETING OF MEMBERS

- Section 3.1. **Annual Meeting.** The annual meeting of the members shall be held the 3rd Saturday in April of each year. If the day for the annual meeting of the members is a legal holiday, the meeting will be held on the first Saturday following which is not a legal holiday. The meeting date may be changed by a vote of the Board of Directors of the Association. Members will be notified in writing thirty days in advance of any change in the date of the meeting.
- 3.2. **Special Meetings.** A Special meeting of the members may be called at any time by the president or by the Board of Directors, or upon written requests by two-thirds (2/3) of the members.
- 3.3. **Notice of meetings.** Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.
- 3.4 **Quorum.** The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meet, until a quorum as aforesaid shall be present or be represented.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

- Section 4.1. **Number.** The affairs of this Association shall be managed by a Board of seven (7) directors, who must be members of the Association.
- 4.2. **Term of Office.** At the Annual Meeting on April 19, 2008 the members elected one director for a term of one (1) year, two directors for a term of two (2) years and four directors for a term of three (3) years; and each annual meeting thereafter the member shall fill the vacancies as they occur with each new director elected for a term of 3 years.

- 4.3. **Removal.** Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.
- 4.4. **Compensation.** No director shall receive compensation for any service they may render to the Association. However any director may be reimbursed for actual, documented expenses which have been approved by a majority of the Board and incurred in the performance of their duties.
- 4.5. **Action Taken Without a Meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining from directors written approval, including email, or via telephone vote with proper documentation. Any action so approved and documented shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

- Section 5.1. **Nomination.** Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that is to be filled. Such nominations may be made from among members only.
- 5.2. **Election.** Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

- Section 6.1. **Regular Meeting.** Regular meetings of the Board of Directors shall be held at least once quarterly or more often as determined by the members of the Board, at such place and hour as may be fixed from time to time by resolution of the Board.
- 6.2 **Special Meetings.** A Special meeting of the Board of Directors shall be held when called by the president of the Association, or by any three (3) directors, after not less than three (3) days notice to each director.
- 6.3 **Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business (a quorum being 4 of the 7 Board members). Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- Section 7.1. **Powers.** The Board of Directors shall have power to:
- (a) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
 - (b) Employ a management firm, an independent contractor, or such other individuals as they deem necessary, and to prescribe their duties.
- 7.2. **Duties.** It shall be the duty of the Board of Directors to:
- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote.
 - (b) Oversee all the agents utilized by this Association, and to see that their duties are properly performed;
 - (c) As more fully provided in the Declaration, to:
 - Fix the amount of the annual assessment against each homeowner at least thirty (30) days in advance of each annual assessment period;
 - Send written notices of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - Submit an account not paid within 60 days to attorneys for collection;
 - Foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the owner personally obligated to pay same.

- Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment;
- Procure and maintain appropriate insurance
- Cause all Board of Directors to be insured at the expense of the Association. Ensure all agents retained by the Association are bonded and insured to perform duties contracted to perform.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

- Section 8.1. **Enumeration of Offices.** The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.
- 8.2. **Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.
- 8.3. **Term.** The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise disqualified to serve.
- 8.4. **Special Appointments.** The Board may elect other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.
- 8.5. **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 8.6. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.
- 8.7. **Multiple Offices.** The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.
- 8.8. **Duties.** The duties of the officers are as follows:

President: The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, contracts, and other written instruments as approved by the Board of Directors.

Vice-President: The Vice-President shall act in the place and stead of the president in the event of the absence of president, the inability or refusal to act, by the president, and shall exercise and discharge such other duties as may be required by the Board.

Secretary: The Secretary will be responsible for overseeing the following duties performed by the representative from the management firm retained by the Owners Association:

This individual shall record votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer/Bookkeeping: The Treasurer shall be responsible for overseeing that the following duties are performed to the Board's satisfaction by the retained management firm:

They shall be responsible for all deposits in appropriate bank accounts and ensure that all monies of the association are disbursed as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall investigate to the Board's satisfaction any discrepancies in invoices/bills paid by the Association; keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. The Treasurer along with the management firm shall prepare the annual budgets and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

ARTICLE IX **BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-laws of the Association shall be available for inspection by any member at the principle office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X **ASSESSMENTS**

Each member (homeowner) of the Association is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments due which are not paid shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, a late fee may be imposed, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, cost, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Owners who elect to sell their property must have all dues and assessments paid prior to closing or a lien will be placed on the property.

ARTICLE XI **AMENDMENTS**

Section 11.1. Amended By-laws. These By-laws may be amended, at a regular or special meeting of the members, by a vote of two-thirds of the home owners providing notice of the change has been given to each owner thirty (30) days in advance of the meeting.

Section 11.2. Articles of Incorporation. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

ARTICLE XII **PROXIES**

Section 12.1. Form of Vote. At all meetings of Members, each Member entitled to vote may vote one person or by proxy.

Section 12.2. Proxies. All proxies shall be in writing filed with the Secretary of the Association or their designated representative.

ARTICLE XIII **PARLIAMENTARY RULE**

Roberts Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with the Declaration or the Articles of Incorporation.

ARTICLE XIV **MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

ARTICLE XV **COMMITTEES**

The Association, by and through its Board of Directors, shall appoint an (1) Architectural Control Committee, and a (2) Nominating Committee, as provided by these By-laws. In addition, the Board of Directors, if they chose, may appoint a Lawn Maintenance Committee and a Welcome Committee, an Audit Committee and other committees as deemed appropriate in carrying out its purpose.

- The Architectural Control Committee shall be responsible for: (1) reviewing all requests for changes to the exterior of the homes. (2) make recommendations to the Board on the changes and determine whether the changes are within the approved covenants. (3) if necessary, meet with homeowner regarding the proposed changes they would like to make.
- The Nominating Committee shall perform the duties outlined in Article V, section 5.1.
- The Lawn Maintenance Committee shall be responsible for: (1) ensuring that all the terms and conditions of the contract with the company hired to perform lawn maintenance for The Fairways are met as prescribed in the signed agreement between the Board and the company (2) reporting to the Board any problems encountered with work performed by the contracted lawn maintenance (3) communicating with the contracted company's representative regarding unsatisfactory work performance.
- The Welcoming Committee shall be responsible for: (1) providing each new owner with a copy of the By-laws and the Covenants governing The Fairways and approved by the Owners Association (2) providing general information to new owners regarding monthly assessments, contact information for the Board, homeowners names, city services, and general information to ensure that new owners have appropriate information regarding The Fairways.